

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**SB0015 - HB0054**

January 28, 2011

**SUMMARY OF AMENDMENT (001932):** Deletes the original bill. Upon referendum dissolving a special school district in which 50 or more schools are classified as high priority, the special school district shall not be merged into the county local education agency. Under these circumstances, a new local education agency (LEA) shall be formed by the schools of the former special school district. The new LEA shall be governed by a new school board comprised of one appointee each as appointed by the Governor, the Speaker of the House, and the Speaker of the Senate. Requires a new school superintendent be appointed by the board on July 1 following the referendum. This superintendent may be the same as the dissolved LEA. Prohibits a new collective bargaining agreement by teachers in the new LEA upon expiration of an existing collective bargaining agreement. Requires that all funding, including local BEP match, be continued as before the dissolution. If any local government decreases their funding, then state-shared taxes shall be withheld to make up any difference.

**FISCAL IMPACT OF ORIGINAL BILL:**

Other Fiscal Impact – Upon a transfer of power, Memphis City Schools will be placed into the ASD. The state will fund the difference between the current Memphis City BEP maintenance of effort requirement (MOE) and the new lower additional MOE for Shelby County Schools. According to the Department of Education, this payment will increase state expenditures by approximately \$192,188,100.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**NOT SIGNIFICANT**

Assumptions applied to amendment:

- A vote will be taken to merge the Memphis City LEA and the Shelby County LEA.
- Upon voter approval, the Memphis City LEA will dissolve into the newly created LEA.
- All local maintenance of effort funding as required by the BEP will remain as before the dissolution.
- The superintendent and system staff will continue to be paid from the BEP.
- The state will not be responsible for any increase in BEP funding.

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**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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